

Drowning In Deductibles:

*How Rising **Out-of-Pocket Costs** Are Draining **Urgent Care Revenue***



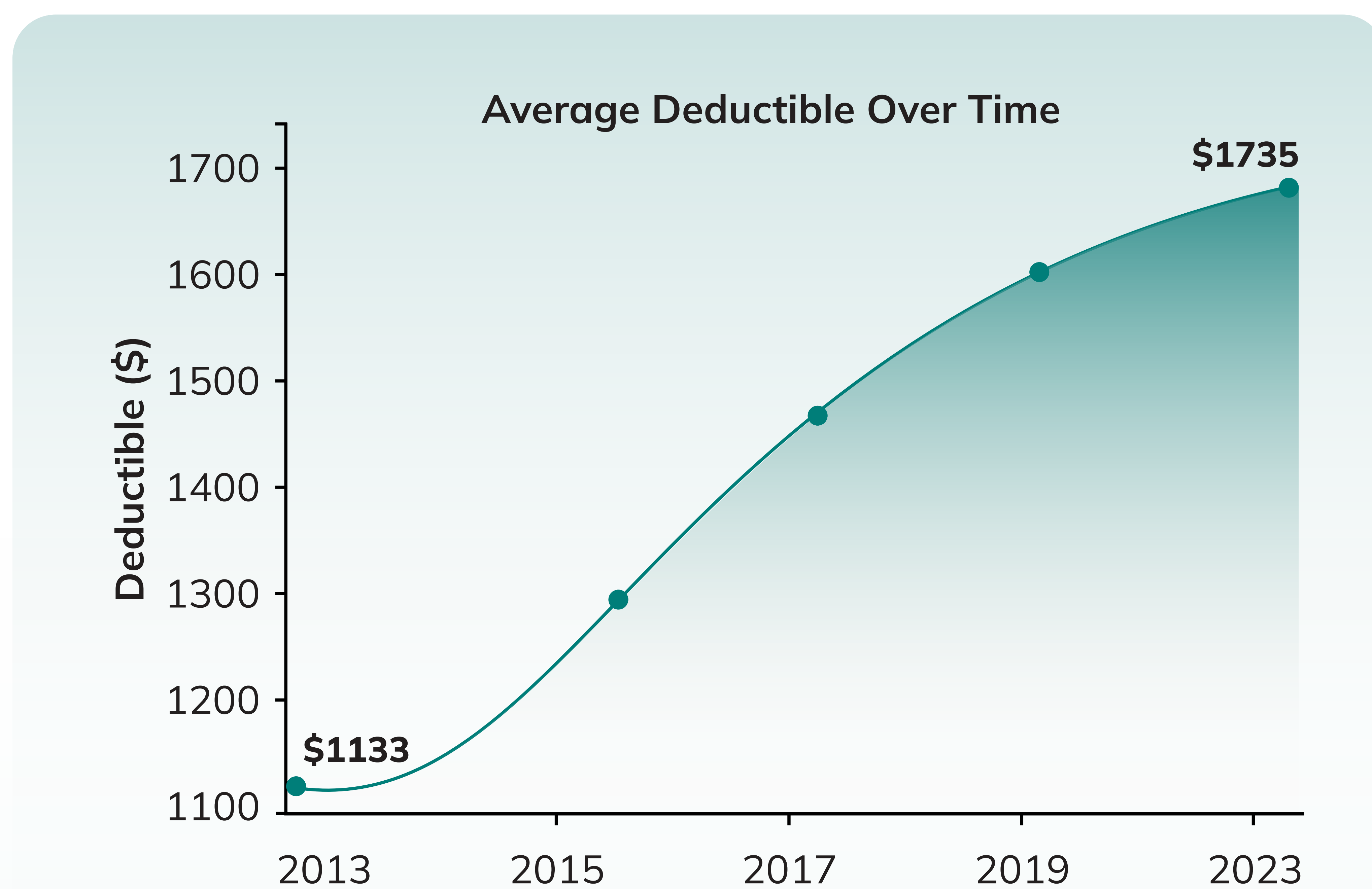
Introduction

Urgent care centers have long been valued as a convenient, cost-effective alternative to emergency departments. However, urgent care operators are now grappling with an **emerging patient payment crisis** that threatens financial performance. In recent years, a profound shift in payer dynamics has occurred: patients themselves are increasingly the “primary payer” for urgent care visits, driven by the rise of high-deductible health plans, larger co-insurance obligations, and unexpected ancillary charges. This whitepaper examines the factors fueling this trend and its impact on urgent care centers’ bottom lines. We present up-to-date data on urgent care volumes and financial metrics, highlight rising bad debt and collection challenges, and analyze patient behavior when faced with large bills. We also outline current revenue cycle approaches – from point-of-service collections to payment plans and third-party financing – and compare urgent care’s situation to that of hospitals and ambulatory surgery centers (ASCs). The goal is to provide urgent care owners and administrators with a data-backed understanding of the payment crisis and practical insights into navigating it. By the end, readers should recognize: **“Yes, this reflects what we’re experiencing,”** and be equipped with knowledge of strategies to mitigate the challenges ahead.



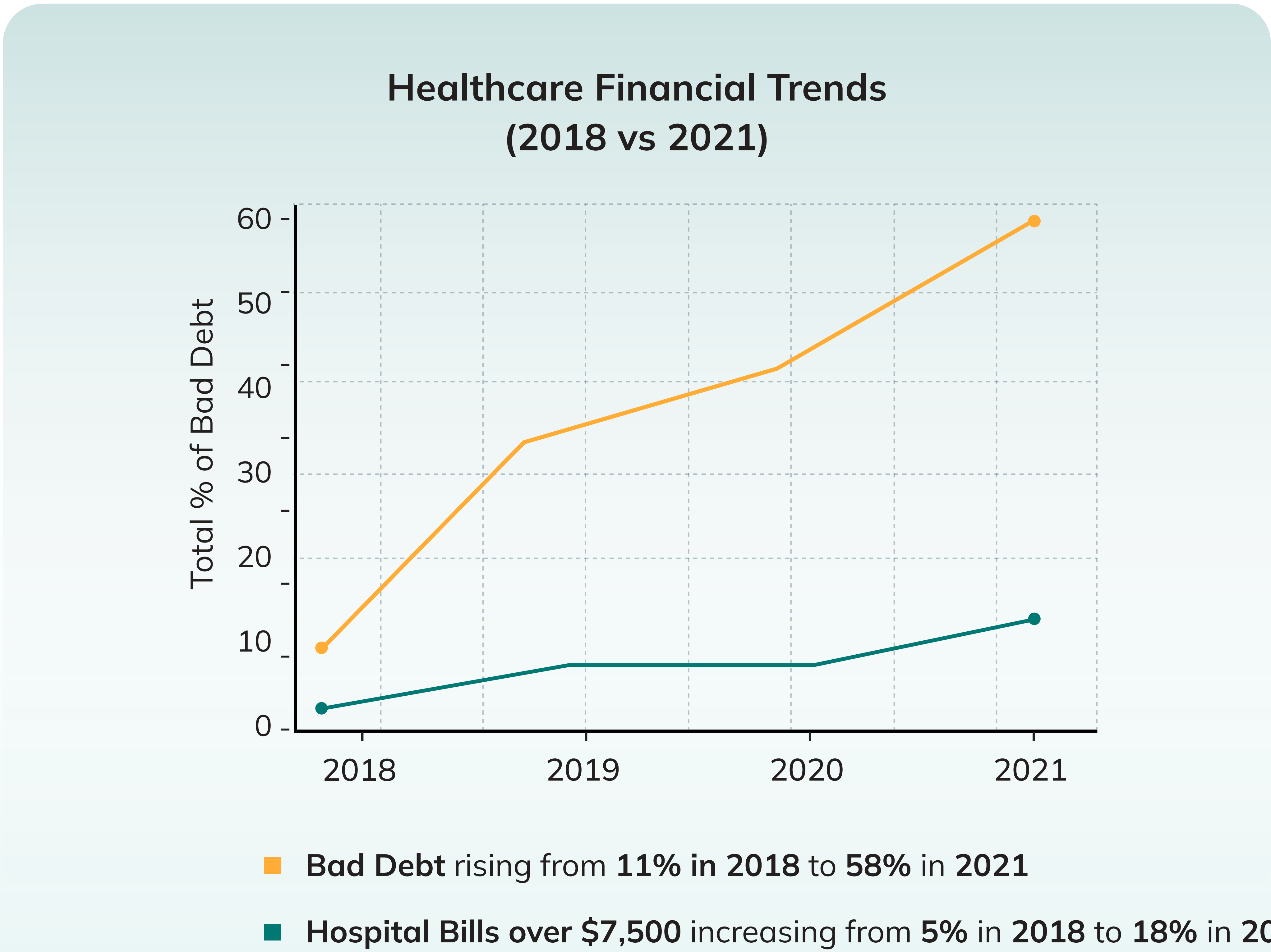
The Shift in Payer Dynamics: Patients as Primary Payers

Not long ago, urgent care reimbursement mostly involved insurance payments with predictable co-pays. Today, that landscape has shifted dramatically. **Higher deductibles and co-insurance mean many urgent care patients are effectively self-paying a large portion of their bills.** In employer-sponsored plans, about 90% of covered workers now face an annual deductible (averaging \$1,735 for single coverage, **53% higher than a decade ago**). This means even insured patients often must pay out-of-pocket until they meet a high deductible threshold. As a result, urgent care visits – especially those involving additional services – increasingly hit patients' wallets first.



The data highlight this payer shift. In the broader healthcare system, patient responsibility after insurance (the amount patients owe after the insurer pays its part) now constitutes a majority of providers' bad debt. **Self-pay balances after insurance accounted for nearly 58% of healthcare bad debt in 2021, a huge jump from just 11% in 2018.** In other words, insured patients with high out-of-pocket costs are now the primary source of uncollected bills. This trend is directly tied to the proliferation of high-deductible health plans and rising cost-sharing .

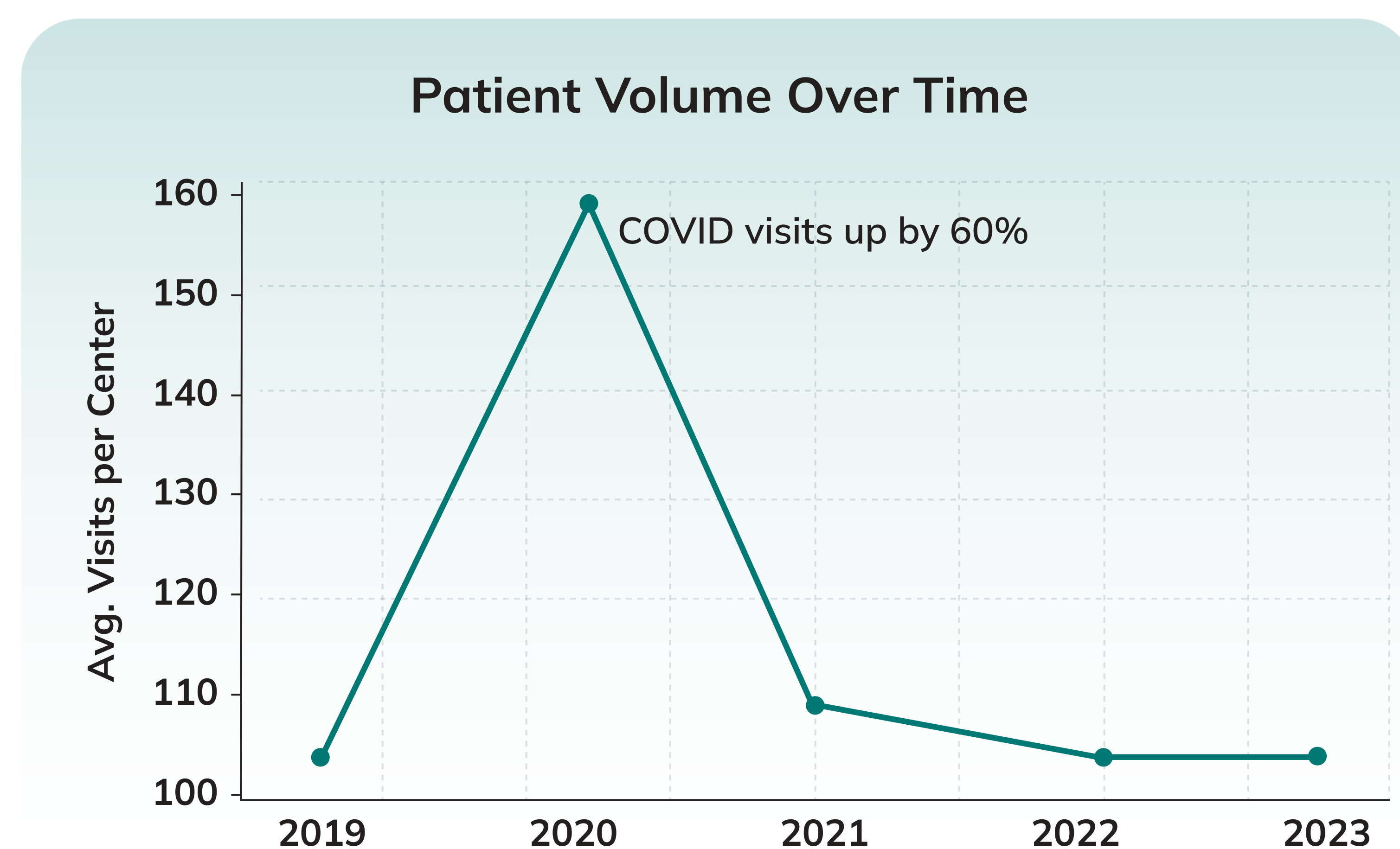
For urgent care centers, the implications are clear: **patients have become the key payer – often reluctantly**. When an urgent care visit involves services totaling, say, \$500 or more, many patients find that their insurance covers little to nothing if their deductible isn't met. The patient is left responsible for the full amount of the visit (minus a co-pay in some cases), which may come as an unwelcome surprise. Urgent care operators report that once a claim is processed and a large balance is billed to the patient, the odds of collecting the full amount drop significantly. It can take 60 to 90 days on average to recover payment from a patient after an insurer denies or partially pays a claim due to deductible issues . In that time, some patients delay or avoid payment, creating cash flow challenges for the center. High patient balances are strongly correlated with non-payment: hospitals have found that **patient statements with balances over \$7,500 are rarely paid in full – the share of hospital bills above this amount tripled from about 5% in 2018 to 18% in 2021, and most of those go to bad debt**. While urgent care bills are typically much lower, even a few hundred dollars can be burdensome for patients, meaning urgent cares are now dealing with a greater volume of smaller unpaid accounts.



In summary, **urgent cares are witnessing a fundamental payer shift**. High out-of-pocket costs have effectively made the patient the primary payer on many visits, introducing new financial risk. The next sections will quantify how this is affecting urgent care centers' performance and explore why patients often struggle to pay these bills.

Urgent Care by the Numbers: Volume, Revenue and Bad Debt Trends

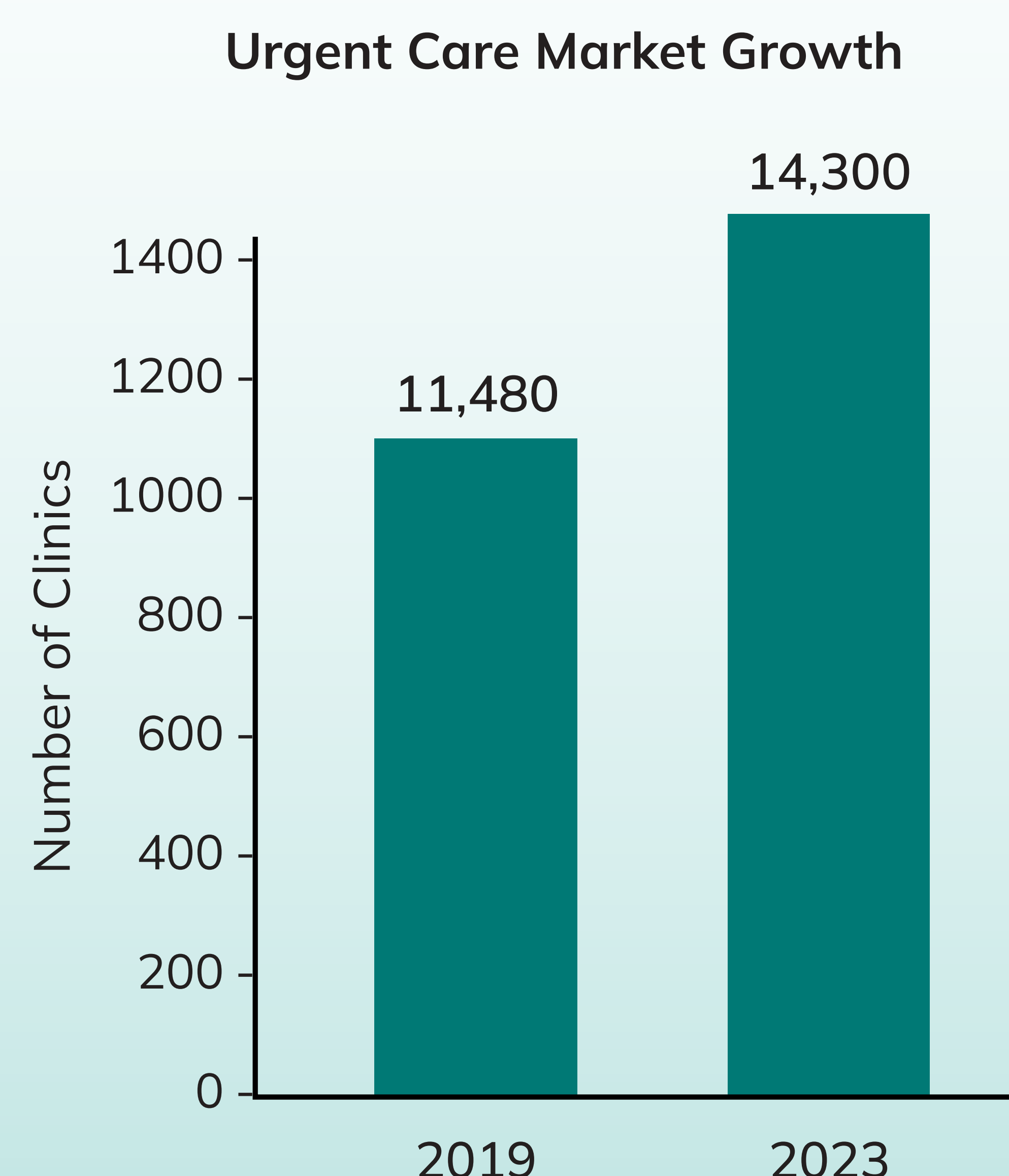
To understand the payment crisis, it helps to review recent urgent care industry trends. Urgent care centers experienced a boom in patient volume during the COVID-19 pandemic, followed by a reversion to normal levels. **Total patient volume surged by 60% from 2019 to 2020** (driven largely by COVID testing and care) . Many clinics saw daily visit counts spike well above pre-pandemic norms. Post-pandemic, however, volumes have settled back to roughly **2019 pre-COVID levels as of 2023**.



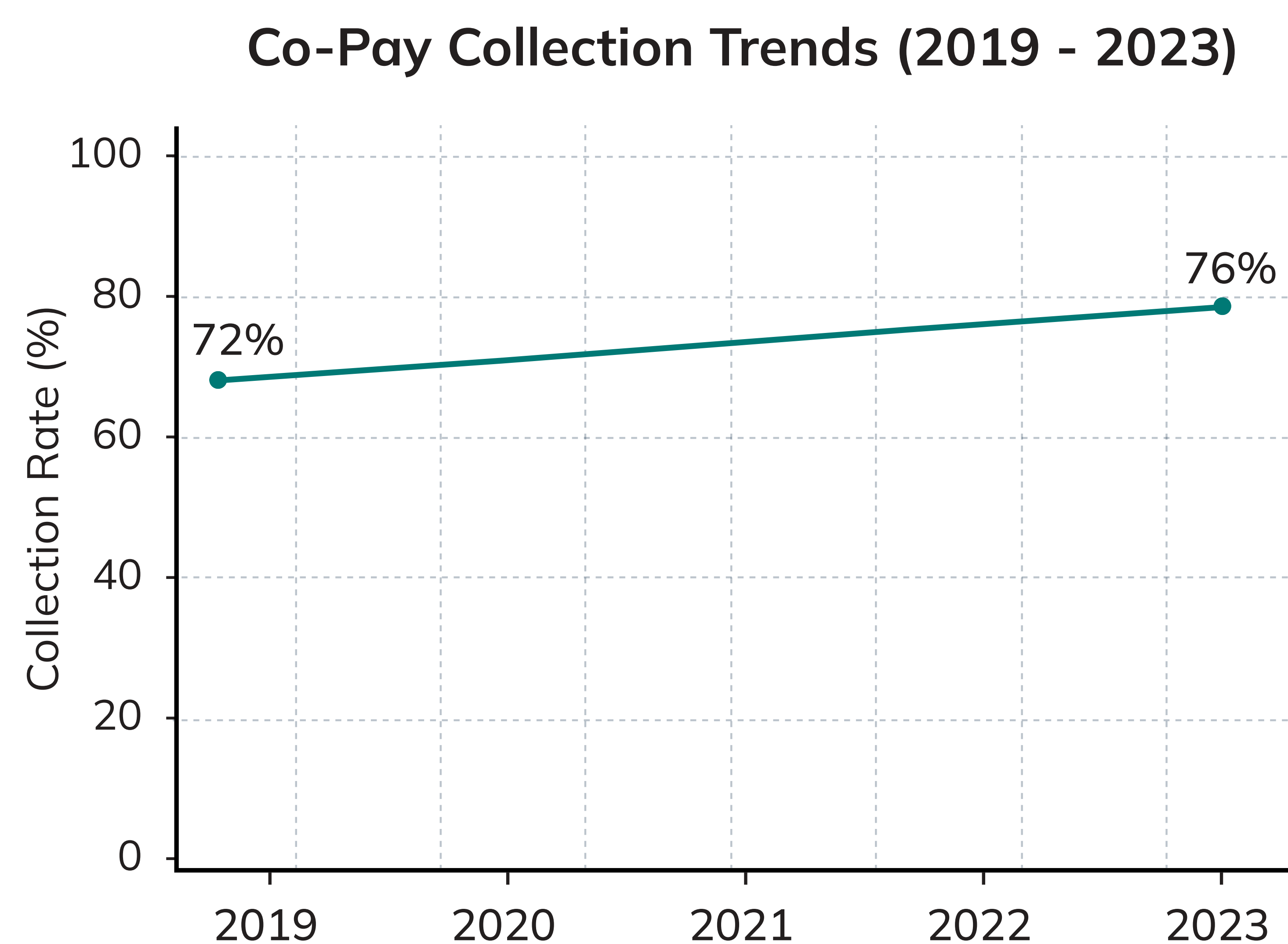
According to Experity Inc. data, the average visits per center in 2023 closely mirror 2019's figures once the COVID testing surge subsided . In other words, the pandemic's extra volume was temporary, and core urgent care demand has stabilized.

At the same time, the urgent care market expanded in capacity. The number of urgent care clinics in the U.S. has grown about **7% annually since 2018**, reaching roughly **14,300 centers in 2023 – a 25% increase from 11,480 centers in 2019**. This rapid growth means more clinics now compete for the same pool of patients, diluting average visits per clinic. Indeed, excluding COVID-related visits, many centers are seeing slightly fewer core medical visits per day than they did in 2019 . More clinics “sharing the pie” can put pressure on each center's revenue.

Financial performance indicators for urgent cares reflect these dynamics. With flat volumes and rising operating costs (staff wages, rent, supplies), profit margins are tightening. Industry analyses note that **expenses per center have risen significantly since 2019 (e.g. higher labor and supply costs), causing average profit margins to decline**. In short, many urgent care centers today are working harder just to achieve the same financial outcomes as a few years ago.



Compounding this challenge is the increase in uncollected patient revenue. Bad debt and collections issues are on the rise in urgent care, echoing broader healthcare trends. According to the Urgent Care Association's benchmarking data, urgent care centers **wrote off about 30% of their total expected collections as uncollectible on average in 2022** **[15†]** . (Expected collections represents the amount the center anticipated receiving after insurance adjustments.)



This is a striking figure – nearly one-third of potential revenue per clinic is lost to factors like patients not paying and insurance denials. While performance varies (the top quartile of centers wrote off a much smaller percentage), a significant portion of urgent care charges are not translating into cash. By comparison, urgent care front offices have improved at collecting standard co-pays – the **average rate of collecting co-payments at time of service rose from 72% in 2019 to 76% in 2023**, indicating greater focus on upfront collections. Yet, the high overall write-off rate suggests that larger balances (deductibles, co-insurance, or non-covered services) remain problematic.

“With patient volumes remaining flat but operating costs, such as wages, rent, and supplies, on the rise, profit margins are tightening, leaving many clinics under pressure despite steady demand.”

Other accounts receivable metrics show some positive trends. Urgent care billing processes have become more efficient in recent years, with average days in accounts receivable (A/R) decreasing between 2020 and 2022 . Median A/R days for patient balances in urgent care were around 25–32 days in 2022 (depending on claim type), which is relatively swift . This suggests centers are attempting to collect from patients faster – likely through immediate billing, text reminders, and quicker follow-ups. Still, fast billing doesn't guarantee payment if patients cannot or will not pay.

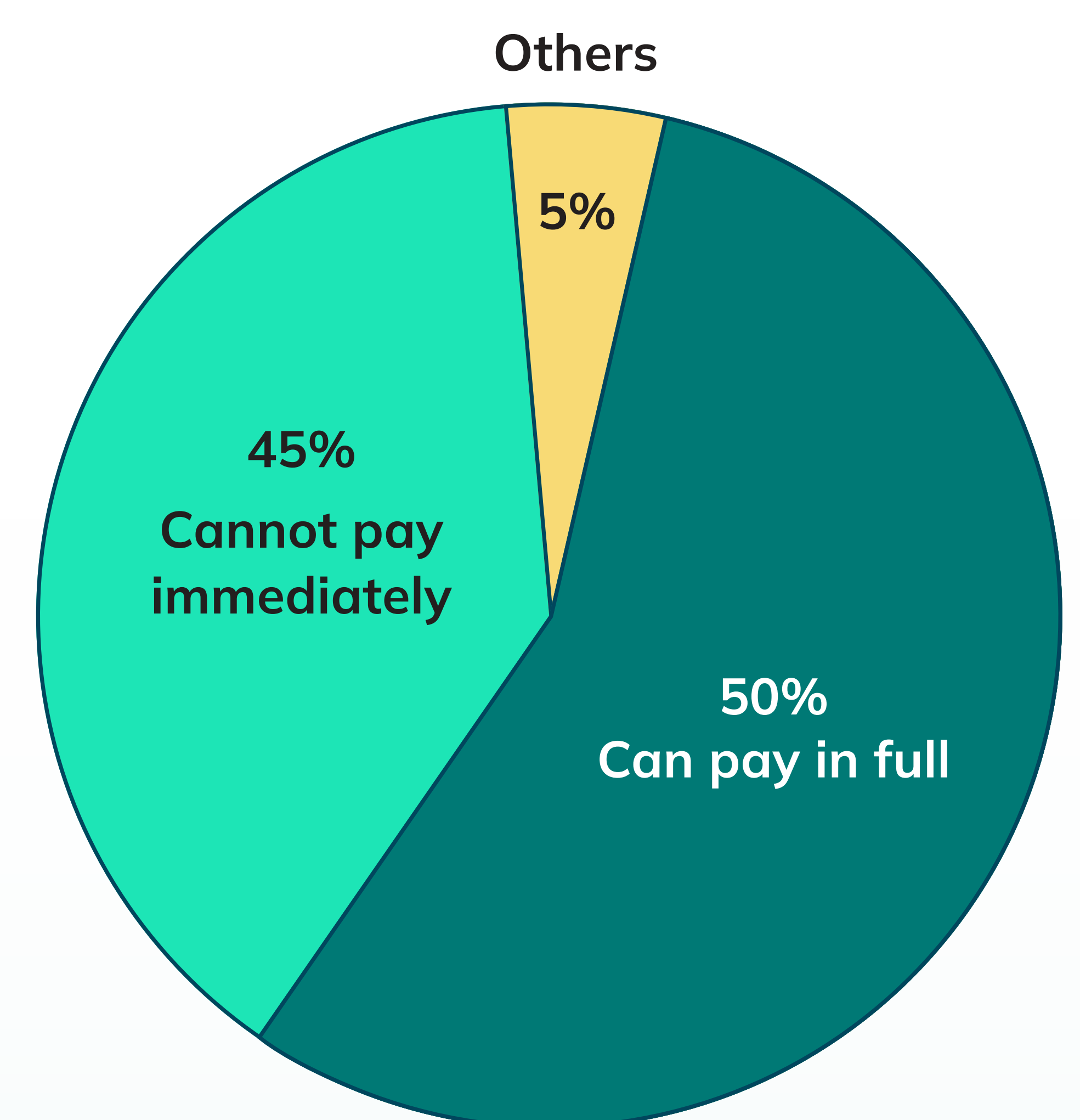
In summary, data paints a sobering picture for urgent care finances: overall patient visits have leveled off, operating costs are up, and a substantial share of charges (often tied to patient responsibility) is going unpaid. Many urgent care leaders are seeing flat or shrinking net revenue despite steady demand. These financial strains set the stage for exploring why patients aren't paying and what urgent care centers can do about it.

When the Bill Comes: Patient Behavior and Reactions to Large Charges

Urgent care is meant to be quick and painless, but for many patients the pain comes later – when the bill arrives. Understanding patient behavior in the face of large or unexpected medical bills is crucial. **Many Americans simply struggle to afford out-of-pocket healthcare costs**, and urgent care bills are no exception. In a Kaiser Family Foundation survey, more than 4 in 10 insured adults (45%) said they would be unable to immediately afford an unexpected \$500 medical bill . Only about half could pay such a bill in full right away, while the rest would need to delay, go on a payment plan, put it on credit (to pay off gradually), or even default. This shows that a \$500 charge – roughly the cost of an urgent care visit with an X-ray and labs – can pose a serious financial burden for a large share of patients.

Reluctance or inability to pay is often heightened by the element of surprise. Patients typically walk into urgent care expecting a moderate expense (often a flat co-pay or a few hundred dollars). If they receive a much larger bill than anticipated, they may perceive it as a “surprise bill” – even if the urgent care was in-network and the charges are technically legitimate. For instance, a patient might pay a \$75 co-pay upfront, only to receive a separate \$400 bill weeks later because their deductible hadn’t been met or an ancillary service wasn’t fully covered. From the patient’s perspective, this feels like an unexpected financial ambush. In fact, about one-third of insured adults reported **receiving an unexpected medical bill in the past two years** for which their insurance paid less than expected . This breeds frustration and distrust; patients may question the charges or delay payment while disputing or seeking clarification.

Affordability of Unexpected Bills



Ancillary services are a common source of friction. **Urgent care visits often include X-rays, lab tests, medications, or other add-ons** that incur extra fees. Patients are sometimes unaware that these services aren’t included in the base visit charge. For example, a patient coming in for a minor injury might not realize that an X-ray will add a significant cost. If the urgent care sends out lab work to a third party, the patient might later get a separate bill from an out-of-network lab – a classic “surprise bill” scenario (one that the federal No Surprises Act doesn’t fully prevent in urgent care settings, since that law mainly covers emergency care and hospital scenarios). This lack of cost transparency up front can leave patients feeling blindsided. **In one survey, 65% of Americans said they were very or somewhat worried about being able to afford unexpected medical bills**, which was a top financial concern even above things like rent or food. Urgent care operators are likely familiar with patients’ reactions when a visit costs more than expected: confusion (“I thought my insurance covered this”), sticker shock, anger, and sometimes refusal to pay until forced.

Patient behavior in response to large bills can take several forms:

Delay or non-payment: Some patients simply ignore the bill, especially if it's a few hundred dollars. They might prioritize other expenses or hope the issue goes away. Unfortunately, this often leads to collections action down the road.

Negotiation or requests for relief: Patients may call the urgent care billing office to dispute charges, request discounts, or ask for charity care if offered. While hospitals commonly have formal charity care policies, urgent cares (being mostly for-profit and smaller) may not, leaving limited options beyond possibly a courtesy discount or payment plan.

Payment plans or credit usage: Patients who want to pay but cannot afford a lump sum often opt for installment plans. They might use credit cards, which can lead to interest costs if not paid off (one news report highlighted hospitals encouraging use of medical credit cards that carry high interest). If the urgent care offers in-house payment plans or partners with financing services, many patients will take that route rather than default.

Avoidance of future care: A troubling long-term consequence is that patients hit with big bills may avoid returning to that urgent care (or any urgent care). They might delay needed care or opt for alternatives (like telemedicine or primary care) to avoid unpredictable costs. Over time this can erode community trust in the urgent care.

From the urgent care operator's standpoint, these behaviors translate into higher collection costs and lost revenue. Chasing patient payments through mailed statements and collection agencies is expensive and often fruitless. It's notable that **over half of U.S. adults have gone into debt for medical or dental bills in the past five years**, an indication of how common it is for patients to not pay in full at time of service. Urgent care centers are now frequently encountering patients with existing medical debt or financial hardship, which only exacerbates the payment challenges.

“

About **33%** of insured adults faced unexpected medical bills in the past two years, where their insurance coverage was less than expected. These surprises often lead to frustration, distrust, and delayed payments.

”

In summary, patients facing large urgent care bills often act in self-protective financial ways – delaying payment, seeking relief, or disengaging – that conflict with the urgent care's need to collect revenue. This dynamic underlines why urgent care centers must be proactive and creative in how they approach patient financial responsibility. The next section explores the tools and strategies available to urgent care operators to improve payment outcomes at each stage of the revenue cycle.

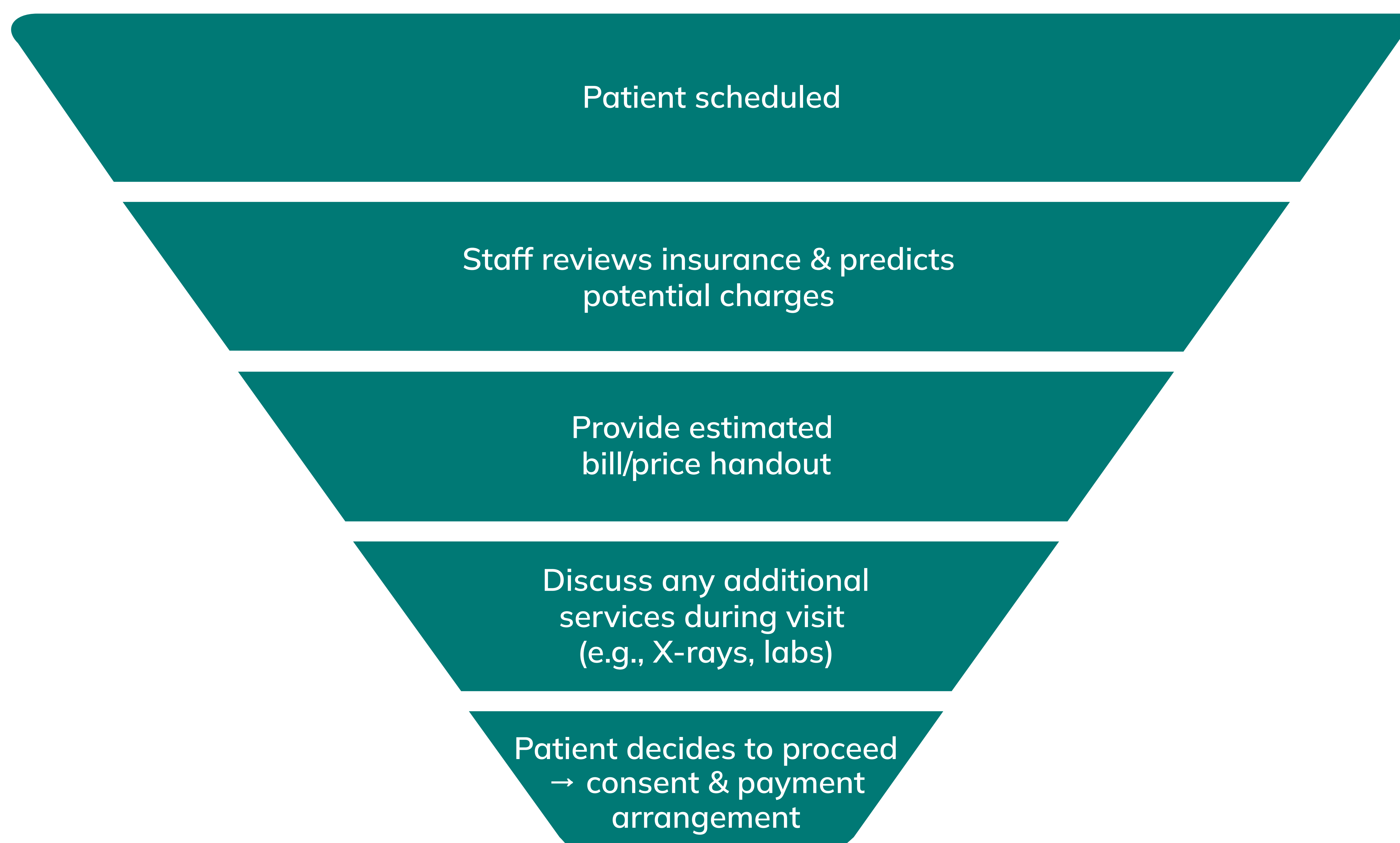
Current Financial Strategies in Urgent Care Revenue Cycle

Urgent care centers are employing a variety of approaches to address the patient payer trend and improve collections without alienating patients. Below we outline the key financial options and strategies in use, from the front desk at check-in to back-end billing and collections:

- **Point-of-Service Payments (Upfront Collection):** The most immediate way to ensure payment is to collect what's owed while the patient is still in the clinic. Urgent care best practices now emphasize **collecting as much as possible up front** – this includes co-pays, known co-insurance amounts, and even a deposit toward the deductible if feasible . Front desk staff are trained to verify insurance in real time and determine the patient's coverage status **before** the visit proceeds . If the patient's plan has a deductible that hasn't been met, some centers will request an upfront payment (for example, collecting a flat \$100–\$150 toward the visit). Patients with no insurance are typically asked to pay a self-pay rate in full at the time of service. Collecting payment on the spot greatly increases the likelihood of collection – as one urgent care billing expert put it, *“Don't expect the patient to pay that copay or coinsurance after services have been rendered; train your staff to collect the amount up front.”* . If a patient has an outstanding balance from a prior visit, many urgent cares enforce policies to collect past-due amounts before seeing the patient again . The downside to aggressive upfront collection is the risk of over-collecting (requiring a refund later if insurance pays more than expected), but operators generally find it better to issue a small refund than to send multiple collection notices for unpaid bills . Point-of-service payments set the financial expectation clearly and immediately, which can prevent surprises later.
- **Upfront Cost Estimates and Financial Counseling:** Hand-in-hand with upfront collections is the practice of giving patients a reasonable estimate of charges before or during the visit. While urgent care visits can be unpredictable, staff can inform the patient if certain procedures (stitches, X-rays, lab tests, etc.) will incur extra fees. Some urgent care centers have introduced simplified **price transparency tools** – for example, posters or handouts listing typical self-pay prices for common services, or software that produces an estimated bill based on the patient's insurance. The aim is to avoid the scenario where a patient says “I had no idea it would cost this much.” Even during the visit, providers or medical assistants can mention if an additional service will be billed (e.g., “We'd like to do a blood test to confirm, which may be an extra \$100 – would you like to proceed?”). This gives patients a degree of control and reduces the shock factor. Although it's not always possible to predict exact costs (insurance adjudication can be complex), any upfront financial counseling can improve patient satisfaction and willingness to pay.

Urgent care centers might take a page from ASCs here – surgical centers typically provide detailed pre-service cost breakdowns to patients and secure agreement on payment arrangements before the procedure. Urgent cares are beginning to adopt a similar mindset for high-ticket visits.

Minimizing Surprise Bills: Step-by-Step Guide



- **Credit Card on File & Pre-Authorization:** A growing number of urgent care operators use **credit card-on-file programs** to streamline post-visit collections. This involves securely storing the patient's credit card information at check-in and obtaining authorization to charge it later for the balance due. Some systems will even run a **pre-authorization for an estimated amount** (similar to how hotels or car rentals do) – for example, placing a hold of \$150 at check-in to cover expected charges. Once the claim is processed and the patient's responsibility is determined, the clinic can then charge the card automatically (after notifying the patient of the final amount). This approach has clear benefits: it “locks in” the payment method while the patient is present and minimizes the risk of chasing bills. As an urgent care finance leader noted, credit card pre-auth “**sets the expectation that a patient will be responsible for some portion of the visit fees... You minimize your risk of bad debt upfront.**” Patients may actually appreciate the convenience – no one likes getting a bill in the mail weeks later if it can be settled immediately. Of course, there is some patient wariness about keeping cards on file, and states like New York have even moved to restrict mandatory credit card on file for providers. But in most markets, urgent cares find a sizable portion of patients are willing to opt in, especially if it means a quicker checkout and no paper bills later. Robust encryption and privacy compliance are a must for these programs to maintain patient trust.

“Credit card pre-authorization ‘locks in’ payment while the patient is present, minimizing bad debt and streamlining collections—offering convenience for patients and security for clinics.”

- **Third-Party Patient Financing Platforms:** For patients who cannot pay a large balance immediately, many urgent care centers are leveraging third-party financing solutions. One example is healthcare-specific credit card programs like CareCredit, which has partnered with urgent care chains to offer promotional financing for patients’ out-of-pocket costs. In fact, **NextCare, one of the nation’s largest urgent care providers, partnered with CareCredit to give patients a way to finance deductibles, copays, and other charges, while enabling the clinics to collect payment at time of service.** Patients approved for such credit programs can charge their urgent care visit and then pay the credit company over time (sometimes with interest-free periods). Other platforms offer “buy now, pay later” installment plans or lines of credit for medical bills. From the urgent care’s perspective, these tools can effectively outsource the collections risk – the third party pays the clinic (often immediately or within days) and takes on the task of collecting from the patient over time. The downside is the patient may incur financing fees or interest, which could reflect poorly if not clearly explained. Nonetheless, offering financing options can significantly improve collections on big-ticket visits and appeals to patients who otherwise might delay care due to cost. It sends a message that the urgent care is willing to work with patients of varying financial means.

- **In-House Payment Plans:** For patients who prefer not to open a new credit line, urgent care centers often provide simple in-house payment plans. This might be as straightforward as allowing the patient to pay, say, \$50 or \$100 a month until the balance is cleared, typically formalized with a credit card authorization or post-dated checks. While urgent cares don’t have the extensive billing departments of hospitals, setting up a basic installment plan can prevent an account from going to collections and demonstrate goodwill. It’s important that staff offer this proactively: *“If a patient cannot pay the full amount up front, make sure staff knows how to set up a payment plan with the patient.”* Many urgent care billing software systems now include features to manage payment plans and send automatic reminders or auto-charge a card on agreed dates. The key is to get a commitment from the patient before they leave the clinic. By arranging a plan, the center secures a path to payment and the patient avoids the anxiety of a lump sum.

However, there are real risks: in-house plans add **administrative costs** to track and manage accounts, can create **cash flow** strain since revenue is collected slowly, and carry **financial risk if the patient stops paying mid-plan**. Missed installments should trigger immediate follow-up, with clear policies for when to escalate an account to collections. Without these guardrails, payment plans can inadvertently increase the workload and bad debt burden instead of reducing it.

- **Efficient Billing and Follow-Up:** Even with the best front-end efforts, there will always be balances that end up in collections workflows. Urgent cares are enhancing their back-end revenue cycle by speeding up the billing cycle and using technology to nudge patients. Many centers now issue **digital bills and reminders via text or email** (often with a payment link) as soon as the insurance adjudication is complete. For example, an automated system can send up to three reminder texts once an invoice is ready, before resorting to mailing paper statements . These digital touches meet patients where they are and often prompt faster action than a mailed bill. Some clinics also use patient portal systems where individuals can see their balance and pay online securely. The tone of communications has shifted to be more patient-friendly – avoiding aggressive language and instead offering help (e.g., “We understand medical bills can be unexpected; please contact us to discuss options if you need an installment plan.”). By humanizing the approach, urgent cares hope to encourage more patients to engage and settle their bills. Still, if multiple notices go unanswered, clinics must decide when to involve external **collections agencies**. The prevailing attitude is to use collections as a last resort, not only because agencies take a cut of recovered funds, but also because it can damage patient relationships and reputation. As one industry article noted, sending accounts to collections is “embarrassing for patients and a legal minefield” for providers . Urgent cares strive to minimize those cases through the earlier strategies described.

“By humanizing billing communications and meeting patients where they are—via digital reminders, portals, and clear guidance—urgent cares aim to improve collections while preserving trust, using external agencies only as a last resort.”

Together, these financial strategies form a toolkit for urgent care centers to tackle the patient payment challenge. The most successful operators tend to employ **a combination of these approaches**: a strong financial policy at the front desk, technology (eligibility checks, card on file, texting) to capture payment, and flexible options (plans or financing) to accommodate patients who need more time. Crucially, staff training underpins all of this – every team member, from reception to providers, should be comfortable discussing costs and payment expectations with patients in a transparent and compassionate manner.

In the end, the goal is to **secure the revenue that keeps the urgent care running, while maintaining patient goodwill and access to care**. It’s a delicate balance, and urgent cares are still refining best practices as the payer mix continues to evolve.

Urgent Care vs. Hospitals and ASCs: How Collections Challenges Differ

It's helpful to put urgent care's financial challenges in context by comparing them to those faced by hospitals and ambulatory surgery centers. All healthcare providers are dealing with higher patient responsibility, but the nature and scale of the problem can differ:

Hospitals (Emergency Departments and Inpatient Care): Hospitals, especially emergency departments, have historically shouldered a huge burden of uncompensated care. By law (EMTALA), an ER cannot turn away a patient in an emergency based on ability to pay. This leads to situations where **many ER visits result in no payment at all** from the patient. Hospitals also tend to have much larger charges per visit – an ER bill can easily reach thousands of dollars, far beyond the typical urgent care charge. Consequently, hospital bad debt numbers dwarf those of urgent care. Recent data shows nearly **30% of U.S. hospitals report over \$10 million in bad debt on their books**, reflecting the immense scale of uncollected bills (often from uninsured or under-insured emergency patients). While urgent care centers might write off tens or hundreds of thousands in a year, large hospitals write off tens of millions. On the other hand, hospitals often have more resources to pursue collections (dedicated billing departments, charity programs, payment counselors) and sometimes receive government subsidies or reimbursement for a portion of their bad debt (for example, Medicare bad debt reimbursement for certain unpaid deductibles).

Another difference is that hospitals are now covered by the federal **No Surprises Act**, which protects patients from surprise out-of-network bills in emergencies and certain inpatient scenarios – this means hospitals must sort out payment with insurers and can't balance-bill the patient beyond in-network cost sharing in those cases. Urgent cares generally fall outside these protections if they are out-of-network. In summary, hospitals face massive patient payment issues too, but they operate in a regulated environment with some safety nets and the ability to cross-subsidize uncompensated care (through higher prices elsewhere or public funds). Urgent cares, by contrast, are usually standalone and must absorb any losses directly.

Nearly 30% of U.S. hospitals report over \$10 million in bad debt on their books, highlighting the massive scale of patient payment issues.

Ambulatory Surgery Centers (ASCs): ASCs provide elective surgeries and procedures, usually by appointment, which gives them a unique advantage in managing patient payments: **they typically know in advance exactly what will be done and what it will cost.** It is standard practice at many ASCs to **provide a detailed cost estimate pre-procedure and require patients to pay their expected portion (or at least a deposit) before the surgery date.** Essentially, ASCs often won't put the patient on the schedule until financial arrangements are in place. This proactive approach leads to relatively high collection rates – there is less “surprise” afterward because patients are informed and have agreed to the costs. Additionally, because ASC procedures are higher-cost (often several thousand dollars for a surgery), patients are more likely to arrange financing or use healthcare credit programs ahead of time. Many ASCs offer access to the same financing tools discussed earlier, or even coordinate with insurers for payment plans if needed. The result is that ASCs might experience fewer small balance write-offs, but when patients default it can be for larger amounts. Unlike urgent cares, ASCs usually don't treat patients without first securing insurance authorization and patient financial consent, so outright non-payment is less common on the front end. However, ASCs do face challenges with high deductibles too – a patient might have a \$5,000 deductible and owe most of a procedure's cost. If that patient cancels or delays because they can't pay, it hits the ASC's volume and revenue projections. In essence, ASCs mitigate bad debt by stringent upfront policies, something urgent cares can try to emulate in part (though urgent care's walk-in model makes it harder to be as rigid).

“

Ambulatory Surgery Centers mitigate bad debt by providing detailed cost estimates, securing upfront payments, and coordinating financing—ensuring patients are informed and committed before procedures. Urgent cares could learn from this approach, though their walk-in model makes it harder to replicate.

”

Urgent Care Centers: Urgent care sits between the hospital ER and the scheduled ASC on this spectrum. Like an ER, urgent care handles unscheduled, same-day needs, but unlike an ER, they can insist on payment (since it's non-emergency care). Urgent cares see **moderate bill sizes** – typically a few hundred dollars – which might be easier for patients to pay than a multi-thousand-dollar hospital bill, but paradoxically, patients may prioritize other bills over a \$300 medical invoice if it doesn't seem urgent. Urgent care volumes are high (many small transactions), whereas a surgery center might have fewer but larger transactions. This means urgent care billing teams manage a **higher volume of invoices, many of which are low-dollar – a notoriously difficult scenario for collections** (it's not cost-effective to pursue aggressive collection on a \$50 balance, yet those add up).

Hospitals and health systems often write off small balances under a certain threshold for this reason; urgent cares must decide how hard to chase each \$100 balance and often end up writing many off.

Urgent care sits in the middle—handling moderate, same-day bills for many patients. Individually, these amounts may seem manageable, but high volume and numerous small transactions make collections tricky, often resulting in unavoidable write-offs.

Another difference is **payer mix**. Urgent cares typically have a higher proportion of insured patients with commercial insurance (and thus dealing with deductibles), whereas hospital ERs see more uninsured and Medicaid patients (leading to outright charity care or Medicaid nominal payments). ASCs usually only serve insured patients (commercial or Medicare), since elective surgeries require coverage or large out-of-pocket funds. So urgent care's challenge is very much about insured patients who technically owe money but don't pay, rather than uninsured patients with no ability to pay (though that exists too, urgent cares do see uninsured walk-ins). This “insured but not paying” scenario can be frustrating – the patient might not qualify for any charity write-off, yet they default on their bill. Hospitals have public accountability and often must offer charity care; urgent cares, being private, do not, but may then face community ill-will if they send too many bills to collections.

In sum, while all healthcare sectors are feeling the strain of increased patient responsibility, urgent care's situation is marked by high-frequency, medium-size transactions and a lack of external financial support. Hospitals are overwhelmed by sheer dollar amounts of bad debt but can spread that burden and have some policy levers to pull. ASCs are smaller and nimbler, often avoiding the issue through pre-payment. Urgent care centers must navigate a middle path: learning from the hospitals' need for compassionate billing (to maintain goodwill) and from ASCs' disciplined approach to upfront payments – all while keeping doors open for immediate, convenient care. The next and final section will conclude with how urgent care operators can continue adapting to this payment crisis and turn these challenges into opportunities for improvement.



Conclusion: Navigating the Payment Crisis – Recognition and Adaptation

The urgent care industry is at an inflection point regarding patient payments. The trends described in this whitepaper – higher patient out-of-pocket costs, stagnant insurance reimbursements, rising bad debt, and changing patient expectations – are not transient. They represent a new reality where urgent care centers must have **strong financial policies and patient-friendly payment solutions** to remain viable. Owners and administrators reading this may recognize these patterns from their own operations: increasing accounts receivable, more patients balking at bills, and pressure on margins. The first step in navigating the crisis is acknowledging that **patient payments are now as critical as payer (insurance) payments** in the revenue cycle.

There are reasons for cautious optimism. Urgent care centers have some inherent advantages: their services are relatively affordable in comparison to ERs, and patients often choose urgent care for its convenience and cost savings. By leveraging that goodwill and transparently addressing costs, urgent cares can position themselves as both convenient and financially accessible. Practical measures like those we've outlined – upfront collections, price estimates, payment plans, financing options, technology-driven reminders – are already making a difference at forward-thinking centers. These strategies are not “one size fits all”; each urgent care organization will need to tailor the approach to its patient population and resources. A clinic serving a high-income area might successfully collect larger deposits upfront or utilize credit card on file without pushback, whereas a clinic in a lower-income community might focus on flexible payment plans and connecting patients with financial assistance (e.g., informing about HSAs or charity clinics for certain services) to maintain trust.

It's also important to **keep the patient experience at the forefront**. A patient payment crisis for urgent care is, conversely, a healthcare affordability crisis for patients. Empathy in financial conversations, clear communication about charges, and avoiding surprise billing tactics will actually improve long-term collections by building patient loyalty. An urgent care visit that ends with the patient feeling informed and respected – even when they have to part with their money – is one that will likely result in that patient returning next time they need care (and hopefully paying their bills). Conversely, a patient who feels tricked or mistreated financially may be lost forever, and their bill likely sent to collections. Thus, the intersection of financial policy and patient satisfaction is a critical management focus.

In closing, urgent care operators should consider the following actions:



Review and update financial policies

to ensure they address today's reality of high deductibles. For example, set clear guidelines on when to collect upfront and when to offer payment plans. Train staff thoroughly on these policies.



Invest in enabling technology

– such as real-time insurance verification, electronic payment systems, automated reminder texts, and secure card-on-file solutions – to streamline the payment process for both staff and patients.



Stay agile and adapt. The healthcare financing landscape is still evolving – for instance, legislation could change cost-sharing rules, or new consumer payment apps could emerge. Be ready to adjust your strategies. Some urgent cares are even exploring membership models or direct primary care-like subscriptions to bypass insurance complexity altogether. While that may not suit everyone, it shows how creatively clinics are thinking.



Educate patients

as a preventative strategy. This could mean posting signage about payment expectations, providing cost estimate sheets for common visits, or simply having front-desk staff proactively explain “We collect co-pays and unmet deductibles at check-in to simplify your experience – let us know if you have questions about your insurance.” Patients who understand the process are less likely to be upset later.



Monitor key metrics like days in A/R, collection rates at time of service, and write-off percentages. Use industry benchmarks (like those from UCA) as a yardstick. If your clinic is writing off an above-average portion of revenue, drill into why (Is it specific payers? Certain services? Front desk collection gaps?).

The patient payment crisis in urgent care is real, but it can be managed with a proactive, data-informed approach. Urgent care centers have weathered many challenges – from reimbursement cuts to a pandemic – by being adaptable and responsive to patient needs. This challenge is no different. By recognizing patients as key stakeholders in the payment process and working with them transparently, urgent care operators can improve their financial outcomes while continuing to deliver the quick, quality care that patients value. In doing so, they will not only say “Yes, this reflects what we’re experiencing” but also, “We are prepared and equipped to meet this challenge head-on.”

Resources

- Kaiser Family Foundation (KFF). Public Opinion on Healthcare Costs, 2023.
- Experity Health. Urgent Care Quarterly: 2023 Benchmark Report.
- Urgent Care Association. 2022–2023 Benchmarking Report. [\(Link\)](#)
- Health Affairs. Self-Pay After Insurance: A Growing Source of Bad Debt. (2021)
- Medical Economics. Collecting Patient Payments in Urgent Care. (2022)
- Aetna. High Deductible Health Plans Explained. [\(Link\)](#)
- CareCredit/NextCare Press Release. NextCare Partners with CareCredit to Offer Patient Financing Options. (2021)
- Healthcare Financial Management Association (HFMA). Strategies for Improving Patient Collections.
- National Consumer Law Center. Medical Debt Burden in the U.S., 2023.
- U.S. Census Bureau. Health Insurance Coverage in the United States: 2022.



Author: **Ankur Chadha**

Vice President of Growth, Credee

Contact: ankur@credee.com